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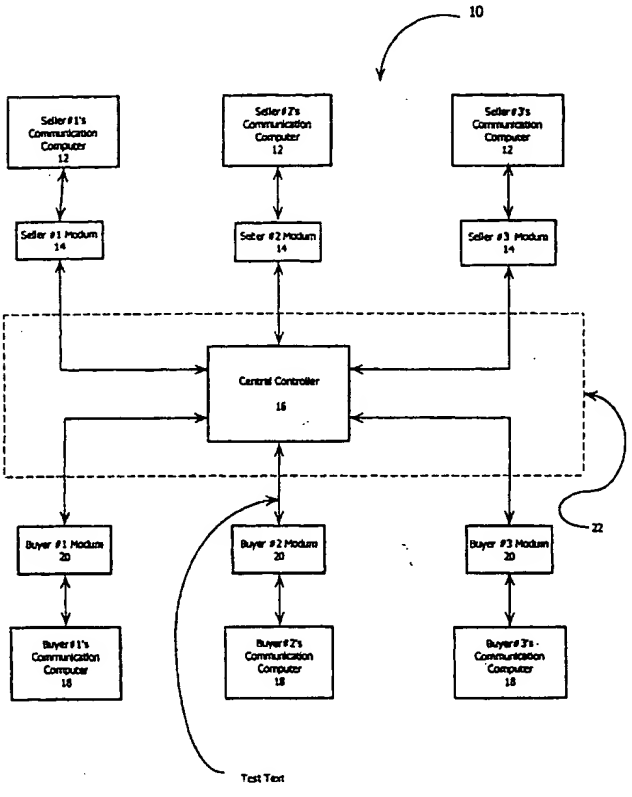

(57) Abstract: The present invention provides a method and system for facilitating a sale of debt accounts between a seller (12) and one or more potential buyers (18). The method of the present invention preferably comprises the principal steps of (a) creating a computer readable database comprising data pertaining to a plurality of debt accounts, each account comprising a plurality of data fields; (b) grouping the accounts into at least one lot based upon at least one correlation among the data in the data fields; (c) searching the computer readable database for information corresponding to information designed by the potential buyers; (d) receiving one or more purchase offers for one or more lots from the potential buyers (20); and (e) communicating the purchase offers to the seller (14). The present invention further facilitates a sale of an item between a seller and a buyer which comprises eight steps.

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METHOD AND SYSTEM FOR FACILITATING A SALE

BACKGROUND OF THE INVENTION

The present invention relates to a method and system for facilitating a sale preferably using a computer network.

The market that processes bad or charged-off debt receivables has grown substantially in recent years. Representing a shift in the paradigm of the creditor processing methods of charge-offs, bad debt sales have become typical in the world of credit collection as an alternative and competing process to traditional agency placements. However, the lack of an organized market for the sale of debt accounts, combined with the complexity of the asset, has heretofore hindered debt sales.

Debt accounts are complex asset and many factors affect the value of a portfolio of debt accounts. For example, each of the following criteria must be considered to accurately access a portfolio's value: i) the type of accounts (e.g., credit card accounts, consumer loans, auto loans, commercial loans, mortgages, student loans, retail accounts, telecommunication accounts, utility accounts, bad checks, bankruptcy judgments, etc.); ii) identity of the lending institution or original account holder; iii) the placement level, or the number of agencies that have attempted to collect on the accounts (e.g., at charge-off, after firsts, after seconds, after thirds, etc.); iv) the geographic origin of the accounts (e.g., country, region, state, city, zip code, etc.); v) the principal value of the portfolio; vi) account balances; vii) age of the accounts; viii) selling institution; ix) purchase contract terms (e.g., representations and warranties).

Given the many factors that affect the value of a portfolio of debt

accounts, the ability to communicate and receive accurate information relating to the debt accounts is critical to the buying and selling process. However, there has been no effective standardization in the language used to communicate information relating to debt accounts being offered for sale. Heretofore, sellers of debt accounts have generally organized the accounts into a portfolio and then created non-standardized description for the portfolio.

The lack of a standardized system has a number of drawbacks. For example, when advertising a portfolio for sale the seller may not provide all of the critical information that the buyer needs to properly access the value of the accounts. In addition, because of the lack of standardization, information provided by the seller may be misinterpreted by the buyer. For example, the buyer's definition of terms such as "consumer loans" or "after firsts" may differ significantly from the seller's definition. The lack of standardization under the present system has generally made the selling of debt accounts a difficult and time-consuming process in which the potential buyer must conduct a significant amount of due diligence before an assessment of the value of a debt portfolio can be made. As a practical matter, the time and expense of assessing the value of a debt account under known systems has prevented many potential smaller buyers from entering the debt market. Thus, there is a strong need for a standardized system of communicating information relating to debt accounts being offered for sale.

Another disadvantage of presently used methods for selling debt accounts is the manner in which accounts are grouped into portfolios. For example, prior to the present invention, there has been no effective methodology for

considering sales demand when grouping accounts into portfolios. Sellers have generally selected arbitrary factors to group accounts or have grouped them randomly. By failing to consider sales demand for the particular grouping of accounts, sellers may delay sales by failing to take advantage of current market demand. By way of example, a seller (without information regarding current market demand) may package a portfolio containing debt accounts from all states, a portfolio for which no current market demand exists. However, had the seller known, for example, of a market demand for similar portfolios of accounts limited to particular regions, the seller could have packaged the portfolio to meet market demand. Thus, there is a strong need for an improved system and method for grouping debt accounts into portfolios or lots for sale.

Another shortcoming of present methods for selling debt accounts is the lack of an efficient means of regrouping account portfolios. Heretofore, sellers have generally grouped accounts into portfolios and offered the portfolio for sale. If the structure of the portfolio did not meet the buyer's need, there has generally been no effective means for regrouping the accounts into a new portfolio to meet the market demands. Furthermore, if a seller and a buyer have reached an agreement as to the purchase of a portion of a portfolio, there has been no efficient means for the seller to regroup the unsold accounts into a new portfolio. Because of these limitations of presently known methods, most debt accounts are grouped into portfolios by the seller and sold as an "as is" package to buyer, regardless of the buyer's need. Thus, there is a strong need for a method and system for regrouping lots to meet sales demand.

Another shortcoming in presently known methods for selling debt accounts is the lack of automation. Heretofore, there has been no automated method or system for grouping accounts into portfolios or lots for sale, allowing potential buyers to search for lots meeting their needs, accepting purchase offers from potential buyers and communicating those purchase offers to sellers. There is a strong need for an effective automated method and system to carry out these and other transactions necessary to complete an account sale. Thus, there is a strong need for an effective automated system for facilitating the sale of debt accounts.

Another of the many disadvantages of presently known methods for selling debt accounts and other types of assets is the lack of an effective means for the buyer to completely leverage its buying power. For example, under conventional buying systems and methods, a buyer with $100,000 in funds available is generally limited to extending bids totaling $100,000 (without obtaining credit). Thus, for example, if the buyer extends two bids for $50,000, the buyer is unable to place any further bids without running the risk of over extending himself. There is a strong need for a method and system that would further extend the buyer's ability to ensure a successful purchase by enabling redundant extension of the buyer's capital resources without compromising capital budge constraints.

SUMMARY OF THE INVENTION

The present invention provides a method and system for facilitating a sale of debt accounts between a seller and one or more potential buyers. The method of the present invention preferably comprises the principal steps of (a)

creating a computer readable database comprising data pertaining to a plurality of debt accounts, each account comprising a plurality of data fields; (b) grouping the accounts into at least one lot based upon at least one correlation among the data in the data fields; (c) searching the computer readable database for information corresponding to information designated by the potential buyers; (d) receiving one or more purchase offers for one or more lots from the potential buyers; and (e) communicating the purchase offers to the seller.

The present invention further facilitates a sale of an item between a seller and a buyer which comprises the following principal steps: (a) receiving from at least one seller information pertaining to a plurality of items to be offered for sale; (b) establishing a spending limit for the buyer, the spending limit including a balance which designates an amount of funds available to the buyer; (c) communicating to the buyer at least a portion of the information pertaining to the items to be offered for sale; (d) receiving a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the spending limit; (e) communicating the pending purchase offers to each seller; (f) receiving an acceptance of a purchase offer from a seller; (g) calculating a new balance for the buyer's spending limit by deducting from the spending limit the purchase price associated with the offer; and (h) withdrawing any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

A system and apparatus are also provided to implement the steps of the method described herein.

DRAWINGS

Fig. 1 illustrates the market overview of the present invention.

Fig. 2 is a block diagram showing the central controller (16) of Fig. 1.

Fig. 3 is a block diagram showing the buyer control computer.

Fig. 4 is a block diagram showing one embodiment of the seller interface.

Fig. 5 illustrates a seller registration process.

Fig. 6 illustrates a buyer qualification process.

Fig. 7 illustrates the grouping and presentation of bad debts.

Fig. 8 illustrates the registry and proprietary storage of data fields of an account database of the present invention.

Fig. 9 illustrates the searching inquiry mechanism of the present invention.

Fig. 10 illustrates the method of assisting the buyer in understanding details of each complex asset of the present invention.

Fig. 11 illustrates the process of assisting the buyer in understanding details of a complete debt offering of the present invention.

Figs. 12A and 12B depict phantom bidding methodology of the invention.

DETAILED DESCRIPTION OF THE INVENTION

Referring now to the drawings, and particularly to Figure 1, an overview of the market into which the present invention operates is there shown generally at numeral **10**. This market includes a plurality of seller's communications computers **12** each having access via modem **14** to the World Wide Web **22**.

A central controller **16** of the present invention represents a part of the Internet communication process of the present invention which receives information from both the seller's communication computers **12** and the buyer's communication computers **18**, also connected via modem **20** to the World Wide Web **22**.

Figure 2 depicts the central controller **16** of Fig. 1 which is referred to as an Internet information server. This controller **16** facilitates intercommunication between a seller's authorized computer and a buyer's authorized computer of this invention. In the controller **16**, two cpu's **26** and **28** are provided in communication with a mother board **24** for computer redundancy. An array of Tables or databases are also operably connected within the controller **16**. For example, the buyer's profile **30** provides tabularized information unique to each of the buyers related to specific identity, who can control the information in this database and other information as described herebelow.

The seller profile **32** provides a tabularized database with information related to the seller's profile including the user chief's name, identification and PIN, and other individuals authorized to have access to the system.

The contract database **34** provides information describing the various contractual support documents and standards utilized within the system between the buyer and the seller, with some contracts also between the operator of the system herein referred to as World Wide Debt (WWD) and buyer or seller.

The UPSS segment database **42** is described more fully in conjunction with Figure 8 herebelow. The sale database **36** provides a history of past sales

associated with information on both current and past sales. The DEBT SENSE™ database **38** is a proprietary analytical tool of this invention to assist buyers and sellers in the actual process of both selling and buying debt. Each account is detailed in the particular account detail database **40** for each particular transaction between buyer and seller and also includes posted offerings by each seller. The system mail database **44** provides a direct means for both buyer and seller to communicate directly through the WWDE server. The lot database **48** provides a tabularized description of each of the particular debts within each lot and information on the source of the debt, its character, the amount of the debt, payment history, data charge-off and so forth. The remainder of the database is referred to generally at **50** include tabularized information which provides ancillary support and infrastructure details in conjunction with the process of buying and selling debt. This database **50** also provide support service after each transaction such as returning accounts and legal media supporting the legal process of debt collection.

According to an embodiment of the present invention, a method for facilitating a sale of debt accounts between a seller and one or more potential buyers comprises the following principal steps: (a) creating a computer readable database comprising data pertaining to a plurality of debt accounts, each account comprising a plurality of data fields; (b) grouping the accounts into at least one lot based upon at least one correlation among the data in the data fields; (c) searching the computer readable database for information corresponding to information designated by the potential buyers; (d) receiving one or more purchase offers for one or more lots from the potential buyers; and

(e) communicating the purchase offers to the seller.

In a preferred embodiment, the step of creating a computer readable database preferably comprises the processes of Seller Entity Registration, Seller User Account Setup, Seller Account Listing and Uploading Accounts into a Presale Database.

In the process of Seller Entity Registration shown in Fig. 5, the seller preferably connects to a secure server to establish an initial electronic communication during which the seller is presented the "Welcome Screen." From the Welcome Screen, the seller may voluntarily select the "Registration Screen" and start the registration process. Seller preferably registers as an entity by first listing basic identification information describing the seller. This identification information would preferably include, among other things, the following:

- Legal name of the entity.
- The type of entity (corporation, partnership, limited liability company, etc.).
- Domicile of the entity.
- Identity of the seller's designated User Chief.

The seller preferably continues the account registration process by accepting the terms of the sale facilitator. This step would preferably include, among other things, the following:

- Acceptance of contract terms.
- Acceptance of fee terms. Standard contracts registered to a Seller will also be provided as the Seller's starting point for all contractual negotiations with prospective purchasers.
- By acceptance of fee terms, Seller will preferably agree to immediately forward as instructed any earned consulting fees upon the closing and funding of any sale.
- Acknowledges acceptance of registration contract term by returning copy of completed contract executed by an authorized officer of the entity.

At the time of registration, or before the entity actually lists debt to be sold, it will preferably complete a "Seller Profile" form. Seller profile information would preferably include, among other information, the following:

- The primary loan types to be offered for sale.
- Tax identification number.
- Forecast or estimate of future debt charge offs.
- Forecast or estimate of amount of expected monthly charge offs that will be sold.
- Approximate the characterization of the debts with respect to "agency history".
- Approximate the characterization of the debts with respect to "days since charge-off".
- Seller will have an option to prepare a generic profile description for public consumption within this electronic marketplace. Approval of this promotional listing for posting and distribution to member sellers and buyers would enhance seller's presence within the marketplace.
- Approximate the characterization of the debts to be offered for sale with respect to generic and demographic data.

The seller will preferably designate a user chief in the seller's organization. The user chief will have the highest level of control of the user account management. The seller may require a corporate resolution document granting account control to a specific department head within the organization. A printable form to make such a designation may preferably be available online. The seller will also preferably have an optional generic profile area providing information on the seller's organization for public viewing.

In the process of seller user account setup, the user chief will preferably enter account authenticity and verification information (e.g., a series of personal questions) which will be stored with the account. The user chief will preferably be instructed as to the type of web browser to use as the primary interface method. The user chief will then preferably enable administrative accounts for administrative personnel who will be able to access and manage sale-related functions. Preferably, only the user chief will be allowed to accept or decline

bids and will have data pertaining to the wiring or management of funds relating to debt sales. The seller's designated administrative users will, preferably, be able to unload accounts to a database and generate reports relating to contract fulfillment costs, balances, etc.

Referring now to Figure 6, the buyer qualification process is there shown in flow diagram format. This process is critical to the buyer in that information is provided to WWD at **210** after which a buyer application is forwarded at **220** to be reviewed and tested against standardized buyer profile requirements at **250**. It is important to each seller that the buyer profile be carefully scrutinized prior to commencement of debt sale negotiations. The profile of the buyer's debt purchase interest is shown to each seller at **230**. Further details of each buyer are shown at **270** and details of the loan interest are shown at **280**. After the buyer has been fully qualified in the eyes of a particular seller at **260**, the buyer is then permitted to enter into the process of evaluating that particular seller's debt offerings as shown in Fig. 7 herebelow.

Referring now to Fig. 7, in the process of Seller Account Listing, the seller will preferably identify and tag certain accounts or groups of accounts for sale and export those accounts in one or more files. Each of these files will preferably be in a standard PC II data format **100A.2** comprising a plurality of data fields. Each data entry will preferably comply with a set of data definitions, field types and naming conventions before uploading the data. Upon import at **100B.1**, the data files will preferably be stored in a database called a presale queue **100B.3**, where the data will be scanned for viruses. Once verified to be clean of viruses, the data will preferably again be scanned to ensure that the

data complies with the required data definitions, field types and naming conventions. Some accounts may be rejected at **100B.2** based on bad or missing information. Rejected accounts may, preferably, be output to the seller to take in file or printed form. Those accounts may later be resubmitted with more complete information archived permanently by the seller.

In Figure 8, the system's principals and methodology of establishing an international debt uniform identification code as part of the Unique Proprietary Storage Segment (UPSS). The data pertains to ownership changes, service requests of the buyer and seller, the buyer/service provider, the seller/service provider and the seller buyer. The information utilized to determine each portion of the identification code is shown in detail in Figure 8.

The step of creating a computer readable database preferably includes the process of Uploading Accounts to the Presale Queue **100B.3**. Once the accounts have been uploaded into the Presale Queue, those accounts are preferably ready and available to a variety of processes at **100C.2**. An important part of this first step to distressed debt sales is the report-ready information that is being stored with each upload of information. This data can preferably be made available to the seller at **74** through consolidated reports that can summarize previous sales (e.g., by date, date-range, month or year group, asset sale or placement type and/or balance range in combination or stand-alone). The distressed asset has preferably been registered based on a unique index that will enable a host of tools and functions in the future management of the accounts.

The method further comprises at **76** the step of grouping the accounts into at least one lot based upon at least one correlation among the data in the data fields, which preferably includes the process of Grouping Accounts. In the process of Grouping Accounts **76**, each file that is uploaded and accepted as being in compliance with the required data definitions, field types and naming conventions can be preferably be independently manipulated at the presale level. The presale area will facilitate the creation of the selling strategy on the part of the seller. Seller can preferably view a report on each file and obtain the basic figures about the proposed sale. Seller will preferably be able to scrap the file as well should the seller decide to resubmit a new file later.

The accounts **80** will preferably be grouped into lots **78** based upon at least one correlation among the data in the data fields. The step of grouping the lots **78** preferably further includes the step of receiving from the seller at least one criterion upon which the accounts are to be grouped into lots. (e.g., by region, state or two-digit ZIP code). Similarly, for example, country, province, postal code, city code and other international aggregations may be available to international sellers. These standard consolidations will then be preferably transferable to new combinations by drag-and-drop interface to create new aggregations, depending on the seller's objectives.

The seller will preferably be able to review the proposed lot **78** at this point and leave it disenabled until such time as the seller chooses to proceed. In the event the seller intends to combine other accounts not yet imported, the seller can preferably combine any accounts together into a Summary Data Sheet (SDS) despite their input-file origin. Because large credit issuers may have files that contain different product types based on account number ranges, a tool

specifying the first four to eight digits of an account number will preferably allow the seller to measure the product mix and parse it into separate lot assignments (SDS) for a given sale.

Once the seller has delineated accounts into the desired lot assignments, he can preferably enable the sale and proactively seek out compatible buyers meeting any combination of criteria in Fig. 6.

The method of the present invention further includes the step of searching the computer readable database for information corresponding to information designated by the potential buyers again, in Fig. 6. Potential buyers are preferably informed when at least some of the designated information has been found in the searching step. In a preferred embodiment, at least a portion of the presale database is uploaded to a computer readable database accessible via a computer network, which may be either an internal network or a global computer network (e.g., the internet).

Still referring to Fig. 7, the method of the present invention also includes the steps at **82** of receiving one or more purchase offers for one or more lots from the potential buyers and communicating the purchase offers to the seller. Each purchase offer preferably includes a purchase price and an identification of a lot offered for sale. The purchase offer preferably further includes terms of the proposed purchase contract. In a preferred embodiment, the purchase offer made by the potential buyer need not conform to the lot and/or terms offered by the seller. For example, the buyer may preferably be able to specify that its purchase offer is based on (a) the seller's proposed contract, the seller's proposed contract with certain additions or modifications, or another contract; (b) specific warrantees regarding repurchases duration; (c) delivery by the seller of

media support; (d) amount of media for free based on count or face value; (e) warranties regarding bankruptcy or deaths associated with accounts; (f) allowances for fraud repurchases; (g) cutoff dates expressed as closing date or days prior to closing or a specific date; and/or (h) whether seller or buyer will scrub the lot for bankruptcy and deceased accounts.

Once the seller has released the accounts for sale, the seller will preferably be able to manage each lot or sale manually or choose a variety of policy rules set for each lot or sale. For example, the seller may establish a rule that "all bids under 5% of the seller's minimum reserve will be automatically rejected but all bids above 5% will be reviewed by the seller's user chief."

The method of the present invention may preferably include the step of receiving from the seller an acceptance of a purchase offer. Acceptance of a purchase offer establishes a purchase contract between the seller and the buyer.

The method of the present invention may preferably include the optional step of scrapping and regrouping of lots. In one embodiment, the seller has the option of scrapping any unsold lot. The scrapped lots may optionally be regrouped into one or more new lots. In another embodiment, lots are scrapped to conform to a purchase offer. For example, a potential buyer may submit a purchase offer for a lot that does not conform to the lot offered for sale by the seller. The seller may then scrap one or more existing lots to produce one or more new lots conforming to the purchase offer. For example, one of the modifications a potential buyer can suggest is some type of carve out that that represents a regrouping of the accounts in the lot. For instance, a buyer might offer to purchase only the accounts in the Western United States with balances between $500 and $5000. Similarly, the potential buyer could present an offer

comprising a regrouping of more than one of the seller's lots. If the seller accepts such a carve-out bid, the lots are then scrapped and regrouped into new lots conforming to the accepted purchase offer.

Upon deciding to accept a purchase offer from a buyer, the seller will preferably be provided with the terms of the purchase offer for review. For example, the user chief may click on a link to review the terms given for the purchase offer. Upon acceptance, the purchase offer preferably becomes binding upon the buyer and the seller in the form accepted. Preferably, the accounts cannot change after acceptance unless they are represented to have been removed because of a determination that the debtor associated with account is either bankrupt or deceased. The binding obligation preferably initiates a Buyer-Seller Status Watch to ensure closing goes smoothly.

In a presently preferred embodiment of the invention, buyer and seller each download a version of the contract, execute a copy and send it to the sale facilitator by facsimile. The signed fax documents are then re-faxed to the other party for counter-signature, which becomes the operating document for the portfolio purchase. Alternatively, the contract may be executed electronically by using user-encrypted response guarantees, wherein the buyer and seller would preferably execute the written contracts using electronic signatures.

The method of the present invention may further include the step of transmitting debt accounts to the buyer upon receipt by the seller of the purchase price associated with the accepted purchase offer. Once the seller has received his funding for a given purchase contract, the seller preferably confirms the funding amount and date received for the lot or lots, releasing a special password for the buyer to retrieve the complete data file comprising the accounts

purchased. As part of post-sale processing, the buyer may preferably make post-sale requests for application copies, statements or copies of statements within given date ranges or unspecified, check copies or other information regarding the debt accounts purchased.

At the time of closing, a repurchase data file is preferably established to track the accounts submitted, accepted and refused by the seller as qualified put-backs. Open balances will preferably be reconciled *pro rata* between buyer and seller. Buyer and seller may agree to the use of standardized notices for meeting repurchase deadlines.

The present invention preferably includes a means for recording data and producing reports for each sale and lot, for example, pertaining to the underlying debt characteristics as well as the time required to sell, amount of sale, amount of lot, aggregation characteristics (state, region, zip, debt issue type, combination), service obligation level to date and buyer account balances, if any. The reports are preferably available to the seller only and are considered proprietary information of the seller. Reports are preferably printed from html documents or in download form.

Referring to Fig. 9, the method of the present invention may preferably include the steps of recording data relating to search inquiries, purchase offers, and sales, and utilizing the recorded data to gauge current and/or historical market demand. This process will preferably enable the seller to gauge the inquiry of buyers and will suggest an account grouping and/or regrouping strategy based on current or perceived demand over a period of time (e.g., 1, 10, 30 or 90 days). The process may also preferably suggest a minimum number of accounts to include in a lot. If lots offered for sale are scrapped and regrouped

to meet current or perceived demand, any outstanding bids for the scrapped lots will preferably be automatically rejected and new lot assignment effected.

In one embodiment, the method of the present invention may preferably include the steps of recording data relating search inquiries made by potential buyers into a computer readable search database. This data may preferably be utilized to gauge current and/or historical market demand for the purpose of grouping accounts into lots conforming to the market demand. In one embodiment, the search database may be searched by the seller. The method preferably comprises the steps of uploading at least a portion of the computer readable search database to a medium accessible via a computer network and searching the uploaded portion of the computer readable search database for information corresponding to information designated by the seller. In another embodiment, the step of grouping accounts into one or more lots is based upon criteria derived from the search database. The recommended grouping may be over-ridden by the seller's user chief if desired.

In another embodiment, the method of the present invention may preferably include the steps of recording data relating purchase offers made by potential buyers into a computer readable purchase offer database. This data may preferably be utilized to gauge current and/or historical market demand for the purpose of grouping accounts into lots conforming to the market demand. In one embodiment, the purchase offer database may be searched by the seller. The method preferably comprises the steps of uploading at least a portion of the computer readable purchase offer database to a medium accessible via a computer network and searching the uploaded portion of the computer readable purchase offer database for information corresponding to information designated

by the seller. In another embodiment, the step of grouping accounts into one or more lots is based upon criteria derived from the purchase offer database.

In another embodiment, the method of the present invention may preferably include the steps of recording data relating to each sale into a computer readable sale database. This data may preferably be used by the seller for historical information and record keeping. This data may also preferably be utilized to gauge current and/or historical market demand for the purpose of grouping accounts into lots conforming to the market demand. In one embodiment, the sale database may be searched by the seller. The method preferably comprises the steps of uploading at least a portion of the computer readable sale database to a medium accessible via a computer network and searching the uploaded portion of the computer readable sale database for information corresponding to information designated by the seller. In another embodiment, the step of grouping accounts into one or more lots is based upon criteria derived from the sale database.

Referring now to Fig. 10, one aspect of DEBT SENSE of the present invention is provided to assist a buyer in understanding the details of each complex asset of the present invention. It is important that the buyer be provided with all tools and information related to each of the debts being offered by each seller. The basic set of parameter statistics and other lot profile services provide a uniform, predictable and easy-to-understand presentation of sales and their lot components. Recalculating the basic traits of the complex asset, which would ordinarily take hours to do manually, is done with minimal effort giving the debt buyer a broader exposure of available debt or paper from which to choose and/or make a purchase offer.

Referring now to Fig. 11, the method of the present invention includes a buyer-seller compatibility matching and optimal sublot packaging based upon the WWDE Market Sense aspects. Tracking daily activity of bids and searches helps a seller to reshape his portfolio for sale to appeal to the broad variety of buyers. WWDE's seller's tools include the ability to reassociate in optimal combinations unsold lots or sublots or any other specification desired by the seller within moments. This function was previously unavailable in any form. Moreover, with the lack of information on bad debt, all industry players will, for the first time, be able to see and recognize industry trends by viewing on-line summary statistics for the industry, taking exact measurements of activity.

PHANTOM BIDDING

Referring now to Figs. 12A and 12B, the present invention further includes a method and system for facilitating a sale of an item between a seller and a buyer. The method preferably comprises the principal steps of receiving from at least one seller information pertaining to a plurality of items to be offered for sale; establishing a spending limit for the buyer, the spending limit including a balance which designates an amount of funds available to the buyer; communicating to the buyer at least a portion of the information pertaining to the items to be offered for sale; receiving a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the spending limit; communicating the pending purchase offers to each seller; receiving an acceptance of a purchase offer from a seller; calculating a new balance for the buyer's spending limit by deducting from the spending limit the purchase price associated with the offer; and withdrawing any

of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

In an alternative embodiment the potential buyer may establish a deposit account corresponding to the spending limit. The deposit account will preferably correspond to an amount of funds deposited by or credited to the potential buyer for which the buyer has available for purchases.

This method described above (hereinafter referred to as "Phantom Bidding") further extends the buyer's ability to ensure a successful purchase by enabling redundant extensions of the buyer's capital resources. Phantom bids multiply a buyer's market presence without compromising capital budget constraints. Phantom bidding will preferably serve to accomplish a maximum exposure position and, upon the successful conclusion of various bids that may have been extended by the buyer and where the desired purse has been reached, all remaining bids are immediately withdrawn.

Phantom Bidding provides several key improvements in the bidding process. Current methods restrict a buyer's opportunity to extend offers to purchase beyond the buyer's available cash, available credit, and or standby credit. This total of capital available for investment is referred to the buyer's "available purse." Once an offer to purchase has been extended to a seller, typically a buyer will not extend additional offers that in the aggregate would exceed the total of its ability to meet the total financial exposure of its funding obligations. Until the seller declines the buyer's offer, those funds earmarked for that specific purchase cannot be redirected to another opportunity to acquire additional product without possibly compromising the available purse. Because

Phantom Bidding provides the buyer with a greater opportunity to participate in the market, the buyer will have the opportunity to bid more aggressively knowing its available purse will not be over obligated by the system's internal controls. Valuable time is lost opportunity to the buyer in terms of conducting its business without interruption. It is not uncommon for a buyer to go without the needed product because it could not win a competitive bid against its competitors. Frequently while awaiting bid negotiations, other opportunities of equal and or similar value are awarded to competitors because the buyer's available purse limited the buyer's involvement in extending additional bids. Phantom Bidding expands the buyer's ability to participate in the bidding process with multiple bids, the aggregate total obligation of which would exceed the buyer's available purse.

With Phantom Bidding, buyers have the opportunity to participate in more of the market activity by extending multiple bids whose aggregate total would exceed the buyer's available purse. The total value of all of the bids within the marketplace at any given moment have the opportunity to exceed that aggregate capital available to all the buyers actively bidding at that specific time. If the seller can distinguish the difference from a normal and Phantom Bid, a seller has the choice of quickly accepting an offer and securing his rights to a larger share of the aggregate purse available within the market at a given moment. In effect, by accepting a Phantom Bid a seller preempts his competitive sellers by removing from the market buyer capital and reducing the finite available purse. The information management system immediately obligates that portion of the wining buyer's available purse, and withdraws all other bids for the winning buyer that would exceed that buyer's remaining available purse.

It should be emphasized that the method of Phantom Bidding described herein is not limited to the sale of debt accounts, and could be used to facilitate the sale of any item.

Those skilled in the art will recognize that the methods and systems of the present invention have many applications and that the present invention is not limited to the representative examples disclosed herein. Moreover, the scope of the present invention covers conventionally known variations and modifications to the system and components described herein, as would be known by those skilled in the art.

CLAIMS

What is claimed is:

1. A method for facilitating a sale of debt accounts between a seller and one or more potential buyers, the method comprising:

a) creating a computer readable database comprising data pertaining to a plurality of debt accounts, each account comprising a plurality of data fields;

b) grouping the accounts into at least one lot based upon at least one correlation among the data in the data fields;

c) searching the computer readable database for information corresponding to information designated by the potential buyers;

d) receiving one or more purchase offers for one or more lots from the potential buyers; and

e) communicating the purchase offers to the seller.

2. The method of Claim 1 further comprising the step of uploading at least a portion of the computer readable database to a medium accessible via a computer network.

3. The method of Claim 1 further comprising the step of informing the potential buyers when at least some of the designated information has been found in the searching step.

4. The method of Claim 1 further comprising the step of receiving from the seller an acceptance of a purchase offer, whereby a purchase contract is formed between the seller and the buyer.

5. The method of Claim 4 wherein each purchase offer has a purchase price

associated therewith, the method further comprising the step of transmitting debt accounts to the buyer upon receipt by the seller of the purchase price associated with the accepted purchase offer.

6. The method of Claim 1 wherein each debt account is in a standardized format.

7. The method of Claim 1 wherein the step of grouping the accounts further comprises the step of receiving from the seller a designation of at least one criterion by which the accounts are to be grouped into lots.

8. The method of Claim 1 further comprising the step of recording data relating to searches made by the potential buyers into a computer readable search database.

9. The method of Claim 8 further comprising the step of searching the search database for information corresponding to information designated by the seller.

10. The method of Claim 8 further comprising the steps of:

a) uploading at least a portion of the computer readable search database to a medium accessible via a computer network; and

b) searching the uploaded portion of the computer readable search database for information corresponding to information designated by the seller.

11. The method of Claim 8 wherein the step of grouping accounts into one or more lots is based upon criteria including information derived from the search database.

12. The method of Claim 1 further comprising the step of recording data relating to purchase offers made by the potential buyers into a computer

readable purchase offer database.

13. The method of Claim 12 further comprising the step of searching the computer readable purchase offer database for information corresponding to information designated by the seller.

14. The method of Claim 12 further comprising the steps of:

f) uploading at least a portion of the computer readable purchase offer database to a medium accessible via a computer network; and

g) searching the uploaded portion of the computer readable purchase offer database for information corresponding to information designated by the seller.

15. The method of Claim 12 wherein the step of grouping accounts into one or more lots is based upon criteria including information derived from the purchase offer database.

16. The method of Claim 1 further comprising the step of recording data relating to each sale into a computer readable sale database.

17. The method of Claim 16 further comprising the step of searching the computer readable sale database for information corresponding to information designated by the seller.

18. The method of Claim 16 further comprising the steps of:

f) uploading at least a portion of the computer readable sale database to a medium accessible via a computer network; and

g) searching the uploaded portion of the computer readable sale

database for information corresponding to information designated by the seller.

19. The method of Claim 16 wherein the step of grouping accounts into one or more lots is based upon criteria including information derived from the sale database.

20. The method of Claim 1 further comprising the step of associating a proposed sales contract with each lot.

21. The method of Claim 1 further comprising the step of scrapping one or more lots and regrouping accounts into one or more new lots conforming to a purchase offer.

22. The method of Claim 1 further comprising the step of scrapping one or more unsold lots and regrouping accounts into one or more new lots.

23. The method of Claim 1 further comprising the steps of:

f) receiving from the seller rejections and counteroffers in response to offers from the potential buyers; and

g) communicating the rejections and counteroffers to the potential buyers.

24. The method of Claim 1 further comprising the steps of:

f) receiving from the seller at least one criterion that a purchase offer must satisfy to be considered by the seller; and

g) automatically rejecting any purchase offers from the potential buyers that do not satisfy the specified criteria.

25. The method of Claim 1 further comprising the steps of:

f) establishing a deposit account for a potential buyer, the deposit account including a balance designating an amount of funds available to the potential buyer;

g) receiving one or more purchase offers from the potential buyer, each purchase offer having a purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the deposit account;

h) adjusting the balance for the potential buyer's deposit account by deducting from the balance the purchase price associated with each purchase offer; and

i) notifying the buyer if a purchase price exceeds the amount of the balance.

26. The method of Claim 25 further comprising the step of rejecting a purchase offer if the purchase price exceeds the amount of the balance of the deposit account.

27. A computer readable medium having stored therein instructions for causing a central processing unit to execute the steps of the method of Claim 1.

28. A method for facilitating a sale of debt accounts between a seller and one or more potential buyers, the method comprising:

a) creating a computer readable database comprising data pertaining to a plurality of debt accounts, each account comprising a plurality of data fields;

b) grouping the accounts into a plurality of lots based upon at least one correlation among the data in the data fields;

c) establishing a deposit account for at least one of the potential buyers, the deposit account including a balance designating an amount of funds available to the potential buyer;

d) searching information in the computer readable database for information corresponding to information designated by the potential buyers;

e) receiving a plurality of purchase offers from a potential buyer having a deposit account, each purchase offer having a purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the deposit account;

f) communicating the purchase offers to the seller;

g) receiving an acceptance of a purchase offer from the seller;

h) calculating a new balance for the deposit account by deducting from the deposit account the purchase price associated with the purchase offer accepted by the seller; and

i) withdrawing any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

29. A method for facilitating a sale of debt accounts between a seller and one or more potential buyers, the method comprising:

a) creating a computer readable database comprising data pertaining to a plurality of debt accounts, each account being in a standardized format comprising a plurality of data fields;

b) receiving from the seller a designation of at least one criterion by which the accounts art to be grouped into lots, the criterion including at least one

correlation among the data in the data fields;

c) grouping the accounts into at least one lot based upon at least one correlation among the data in the data fields;

d) associating a proposed sales contract with each lot;

e) uploading at least a portion of the computer readable database to a medium accessible via a computer network;

f) searching the uploaded portion of the computer readable database for information corresponding to information designated by the potential buyers;

g) informing the potential buyers when at least some of the designated information has been found in the searching step;

h) receiving purchase offers from potential buyers, wherein each purchase offer has a purchase price associated therewith;

i) communicating the purchase offers to the seller;

j) optionally scrapping one or more lots and regrouping accounts into one or more new lots conforming to a purchase offer;

k) receiving from the seller an acceptance of a purchase offer;

l) optionally scrapping one or more unsold lots and regrouping accounts into one or more new lots; and

m) transmitting debt accounts to the buyer upon receipt by the seller of the purchase price associated with the accepted purchase offer.

30. A device for facilitating a sale of debt accounts between a seller and a buyer of one or more potential buyers, the device comprising:

a memory storing a computer readable database comprising data pertaining to a plurality of debt accounts, each account comprising a plurality of data fields; and

a processor operatively connected to the memory, the processor programmed to:

(a) group the accounts into at least one lot based upon at least one correlation among the data in the data fields;

(b) search information in the computer readable database for information corresponding to information designated by the potential buyers;

(c) receive one or more purchase offers for lots from the potential buyers; and

(d) communicate the purchase offers to the seller.

31. The device of Claim 30 wherein the processor is further programmed to upload at least a portion of the computer readable database to a medium accessible via a computer network.

32. The device of Claim 30 wherein the processor is further programmed to inform the potential buyers when at least some of the designated information has been found in the search of the computer readable database.

33. The device of Claim 30 wherein the processor is further programmed to receive from the seller an acceptance of a purchase offer, whereby a purchase contract is formed between the seller and the buyer.

34. The device of Claim 33 wherein each purchase offer has a purchase price

associated therewith, and wherein the processor is further programmed to transmit debt accounts to the buyer upon receipt by the seller of the purchase price associated with the accepted purchase offer.

35. The device of Claim 30 wherein each debt account is in a standardized format.

36. The device of Claim 30 wherein the processor is further programmed to receive from the seller a designation of at least one criterion by which the accounts are to be grouped into lots.

37. The device of Claim 30 wherein the processor is further programmed to record data relating to searches made by the potential buyers into a computer readable search database.

38. The device of Claim 37 wherein the processor is further programmed to search the search database for information corresponding to information designated by the seller.

39. The device of Claim 37 wherein the processor is further programmed to:

upload at least a portion of the computer readable search database to a medium accessible via a computer network; and

search the uploaded portion of the computer readable search database for information corresponding to information designated by the seller.

40. The device of Claim 37 wherein the processor is further programmed to group accounts into one or more lots based upon criteria including information derived from the search database.

41. The device of Claim 30 wherein the processor is further programmed to

record data relating to purchase offers made by the potential buyers into a computer readable purchase offer database.

42. The device of Claim 41 wherein the processor is further programmed to search the computer readable purchase offer database for information corresponding to information designated by the seller.

43. The device of Claim 41 wherein the processor is further programmed to:

upload at least a portion of the computer readable purchase offer database to a medium accessible via a computer network; and

search the uploaded portion of the computer readable purchase offer database for information corresponding to information designated by the seller.

44. The device of Claim 41 wherein the processor is further programmed to group accounts into one or more lots based upon criteria including information derived from the purchase offer database.

45. The device of Claim 30 wherein the processor is further programmed to record data relating to each sale into a computer readable sale database.

46. The device of Claim 45 wherein the processor is further programmed to search data the computer readable sale database for information corresponding to information designated by the seller.

47. The device of Claim 45 wherein the processor is further programmed to:

upload at least a portion of the computer readable sale database to a medium accessible via a computer network; and

search the uploaded portion of the computer readable sale database for

information corresponding to information designated by the seller.

48. The device of Claim 45 wherein the processor is further programmed to group accounts into one or more lots based upon criteria including information derived from the sale database.

49. The device of Claim 30 wherein the processor is further programmed to associate a proposed sales contract with each lot.

50. The device of Claim 30 wherein the processor is further programmed to scrap one or more lots and regroup accounts into one or more new lots conforming to a purchase offer.

51. The device of Claim 30 wherein the processor is further programmed to scrap one or more unsold lots and regroup accounts into one or more new lots.

52. The device of Claim 30 wherein the processor is further programmed to:

receive from the seller rejections and counteroffers in response to offers from the potential buyers; and

communicate the rejections and counteroffers to the potential buyers.

53. The device of Claim 30 wherein the processor is further programmed to:

receive from the seller at least one criterion that a purchase offer must satisfy to be considered by the seller; and

automatically reject any purchase offers from the potential buyers that do not satisfy the specified criteria.

54. The device of Claim 30 wherein the processor is further programmed to:

establish a deposit account for a potential buyer, the deposit account

including a balance designating an amount of funds available to the potential buyer;

receive one or more purchase offers from the potential buyer, each purchase offer having a purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the deposit account;

adjust the balance for the potential buyer's deposit account by deducting from the balance the purchase price associated with each purchase offer; and

notify the buyer if a purchase price exceeds the amount of the balance.

55. The device of Claim 54 wherein the processor is further programmed to reject a purchase offer if the purchase price exceeds the amount of the balance of the deposit account.

56. A system for facilitating a sale of debt accounts between a seller one or more potential buyers, the system comprising:

means for creating a computer readable database comprising data pertaining to a plurality of debt accounts, each account comprising a plurality of data fields;

means for grouping the accounts into at least one lot based upon at least one correlation among the data in the data fields;

means for searching the computer readable database for information corresponding to information designated by the potential buyers;

means for receiving one or more purchase offers for one or more lots from the potential buyers;

means for communicating the purchase offers to the seller.

57. The system of Claim 56 further comprising means for uploading at least a portion of the computer readable database to a medium accessible via a computer network.

58. The system of Claim 56 further comprising means for informing the potential buyers when at least some of the designated information has been found in the search of the computer readable database.

59. The system of Claim 56 further comprising means for receiving from the seller an acceptance of a purchase offer, whereby a purchase contract is formed between the seller and the buyer.

60. The system of Claim 56 wherein each purchase offer has a purchase price associated therewith, the system further comprising means for transmitting debt accounts to the buyer upon receipt by the seller of the purchase price associated with the accepted purchase offer.

61. The system of Claim 56 wherein each debt account is in a standardized format.

62. The system of Claim 56 further comprising means for receiving from the seller a designation of at least one criterion by which the accounts are to be grouped into lots.

63. The system of Claim 56 further comprising means for recording data relating to searches made by the potential buyers into a computer readable search database.

64. The system of Claim 63 further comprising means for searching the

search database for information corresponding to information designated by the seller.

65. The system of Claim 63 further comprising means for:

uploading at least a portion of the computer readable search database to a medium accessible via a computer network; and

searching the uploaded portion of the computer readable search database for information corresponding to information designated by the seller.

66. The system of Claim 63 further comprising means for grouping accounts into one or more lots is based upon criteria including information derived from the search database.

67. The system of Claim 56 further comprising means for recording data relating to purchase offers made by the potential buyers into a computer readable purchase offer database.

68. The system of Claim 67 further comprising means for searching the computer readable purchase offer database for information corresponding to information designated by the seller.

69. The system of Claim 67 further comprising means for:

uploading at least a portion of the computer readable purchase offer database to a medium accessible via a computer network; and

searching the uploaded portion of the computer readable purchase offer database for information corresponding to information designated by the seller.

70. The system of Claim 67 wherein the means for grouping accounts into one

or more lots is based upon criteria including information derived from the purchase offer database.

71. The system of Claim 56 further comprising means for recording data relating to each sale into a computer readable sale database.

72. The system of Claim 71 further comprising means for searching the computer readable sale database for information corresponding to information designated by the seller.

73. The system of Claim 71 further comprising means for:

uploading at least a portion of the computer readable sale database to a medium accessible via a computer network; and

searching the uploaded portion of the computer readable sale database for information corresponding to information designated by the seller.

74. The system of Claim 71 wherein the means for grouping accounts into one or more lots is based upon criteria including information derived from the sale database.

75. The system of Claim 56 further comprising means for associating a proposed sales contract with each lot.

76. The system of Claim 56 further comprising means for scrapping one or more lots and regrouping accounts into one or more new lots conforming to a purchase offer.

77. The system of Claim 56 further comprising means for scrapping one or more unsold lots and regrouping accounts into one or more new lots.

78. The system of Claim 56 further comprising means for:

a) receiving from the seller rejections and counteroffers in response to offers from the potential buyers; and

b) communicating the rejections and counteroffers to the potential buyers.

79. The system of Claim 56 further comprising means for:

a) receiving from the seller at least one criterion that a purchase offer must satisfy to be considered by the seller; and

b) automatically rejecting any purchase offers from the potential buyers that do not satisfy the specified criteria.

80. The system of Claim 56 further comprising means for:

establishing a deposit account for a potential buyer, the deposit account including a balance designating an amount of funds available to the potential buyer;

receiving one or more purchase offers from the potential buyer, each purchase offer having a purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the deposit account;

adjusting the balance for the potential buyer's deposit account by deducting from the balance the purchase price associated with each purchase offer; and

notifying the buyer if a purchase price exceeds the amount of the balance.

81. The system of Claim 80 further comprising means for rejecting a purchase offer if the purchase price exceeds the amount of the balance of the deposit account.

82. A method for facilitating a sale of an item between a seller and a buyer, the method comprising:

a) receiving from at least one seller information pertaining to a plurality of items to be offered for sale;

b) establishing a deposit account for the buyer, the deposit account including a balance which designates an amount of funds available to the buyer;

c) communicating to the buyer at least a portion of the information pertaining to the items to be offered for sale;

d) receiving a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the deposit account;

e) communicating the pending purchase offers to each seller;

f) receiving an acceptance of a purchase offer from a seller;

g) calculating a new balance for the buyer's deposit account by deducting from the deposit account the purchase price associated with the offer; and

h) withdrawing any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

83. A device for facilitating a sale of an item between a seller and a buyer, the

device comprising:

a memory storing data received from at least one seller identifying a plurality of items to be offered for sale; and

a processor operatively connected to the memory, the processor programmed to:

(a) establish a deposit account for the buyer, the deposit account including a balance which designates an amount of funds available to the buyer;

(c) communicate to the buyer at least a portion of the data pertaining to the items to be offered for sale;

(d) receive a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the deposit account;

(e) communicate the pending purchase offers to each seller;

(f) receive an acceptance of a purchase offer from a seller;

(g) calculate a new balance for the buyer's deposit account by deducting from the deposit account the purchase price associated with the offer; and

(h) withdraw any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

84. A system for facilitating a sale of an item between a seller and a buyer, the system comprising:

means for receiving from at least one seller information pertaining to a plurality of items to be offered for sale;

means for establishing a deposit account for the buyer, the deposit account including a balance which designates an amount of funds available to the buyer;

means for communicating to the buyer at least a portion of the information pertaining to the items to be offered for sale;

means for receiving a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the deposit account;

means for communicating the pending purchase offers to each seller;

means for receiving an acceptance of a purchase offer from a seller;

means for calculating a new balance for the buyer's deposit account by deducting from the deposit account the purchase price associated with the offer; and

means for withdrawing any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

85. A method for facilitating a sale of an item between a seller and a buyer, the method comprising:

a) receiving from at least one seller information pertaining to a

plurality of items to be offered for sale;

b) establishing a spending limit for the buyer, the spending limit including a balance which designates an amount of funds available to the buyer;

c) communicating to the buyer at least a portion of the information pertaining to the items to be offered for sale;

d) receiving a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the spending limit;

e) communicating the pending purchase offers to each seller;

f) receiving an acceptance of a purchase offer from a seller;

g) calculating a new balance for the buyer's spending limit by deducting from the spending limit the purchase price associated with the offer; and

h) withdrawing any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

86. A device for facilitating a sale of an item between a seller and a buyer, the device comprising:

a memory storing data received from at least one seller identifying a plurality of items to be offered for sale; and

a processor operatively connected to the memory, the processor programmed to:

plurality of items to be offered for sale;

b) establishing a spending limit for the buyer, the spending limit including a balance which designates an amount of funds available to the buyer;

c) communicating to the buyer at least a portion of the information pertaining to the items to be offered for sale;

d) receiving a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the spending limit;

e) communicating the pending purchase offers to each seller;

f) receiving an acceptance of a purchase offer from a seller;

g) calculating a new balance for the buyer's spending limit by deducting from the spending limit the purchase price associated with the offer; and

h) withdrawing any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

86. A device for facilitating a sale of an item between a seller and a buyer, the device comprising:

a memory storing data received from at least one seller identifying a plurality of items to be offered for sale; and

a processor operatively connected to the memory, the processor programmed to:

(a) establish a spending limit for the buyer, the spending limit including a balance which designates an amount of funds available to the buyer;

(b) communicate to the buyer at least a portion of the data pertaining to the items to be offered for sale;

(c) receive a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the spending limit;

(d) communicate the pending purchase offers to each seller;

(e) receive an acceptance of a purchase offer from a seller;

(f) calculate a new balance for the buyer's spending limit by deducting from the spending limit the purchase price associated with the offer; and

(g) withdraw any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

87. A system for facilitating a sale of an item between a seller and a buyer, the system comprising:

means for receiving from at least one seller information pertaining to a plurality of items to be offered for sale;

means for establishing a spending limit for the buyer, the spending limit

including a balance which designates an amount of funds available to the buyer;

means for communicating to the buyer at least a portion of the information pertaining to the items to be offered for sale;

means for receiving a plurality of purchase offers from the buyer, each purchase offer having an item and purchase price associated therewith, wherein each purchase price may be for an amount less than or equal to the balance of the spending limit;

means for communicating the pending purchase offers to each seller;

means for receiving an acceptance of a purchase offer from a seller;

means for calculating a new balance for the buyer's spending limit by deducting from the spending limit the purchase price associated with the offer; and

means for withdrawing any of the buyer's pending purchase offers for which the associated purchase price exceeds the amount of the new balance.

FIG. 1
MARKET OVERVIEW

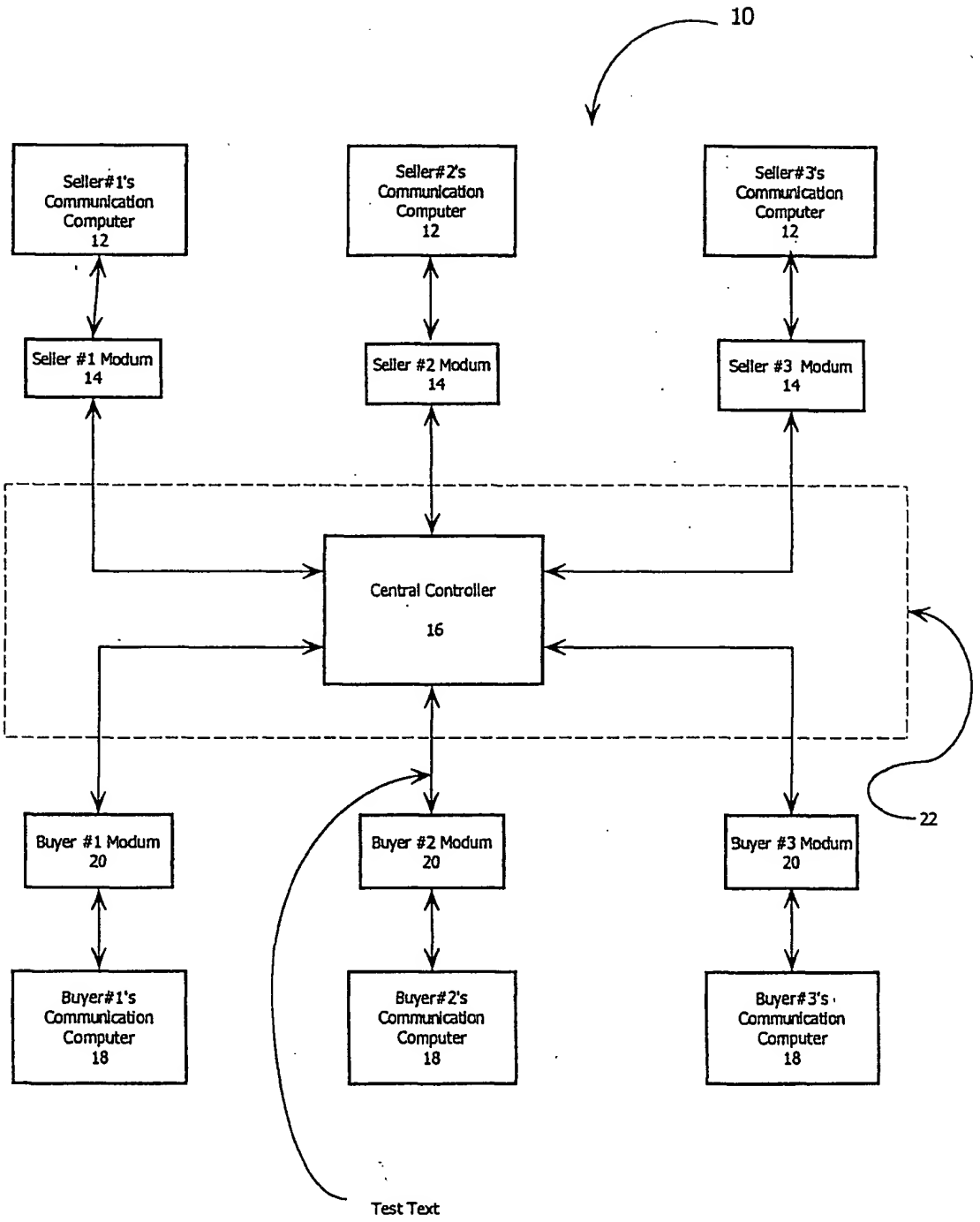
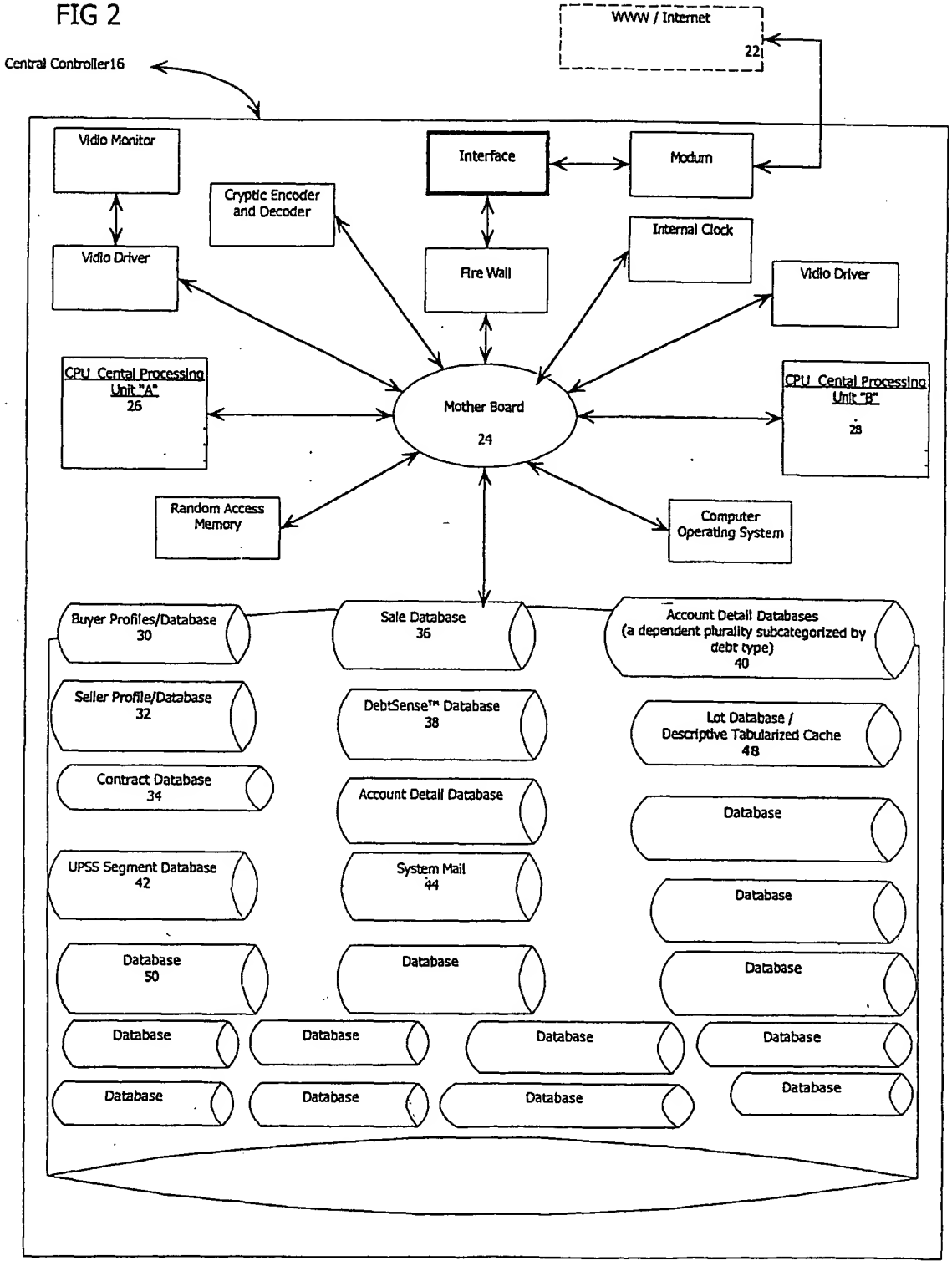


FIG 2


WWW / Internet
22
Central Controller16
Vidio Monitor
Interface
Modum
Cryptic Encoder and Decoder
Internal Clock
Vidio Driver
Fire Wall
Vidio Driver
CPU Cental Processing Unit "A"
26
Mother Board
24
CPU Cental Processing Unit "B"
28
Random Access Memory
Computer Operating System
Buyer Profiles/Database
30
Sale Database
36
Account Detail Databases
(a dependent plurality subcategorized by debt type)
40
Seller Profile/Database
32
DebtSense™ Database
38
Lot Database / Descriptive Tabularized Cache
48
Contract Database
34
Account Detail Database
Database
UPSS Segment Database
42
System Mail
44
Database
Database
50
Database
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Database
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Database
Database

FIG. 3

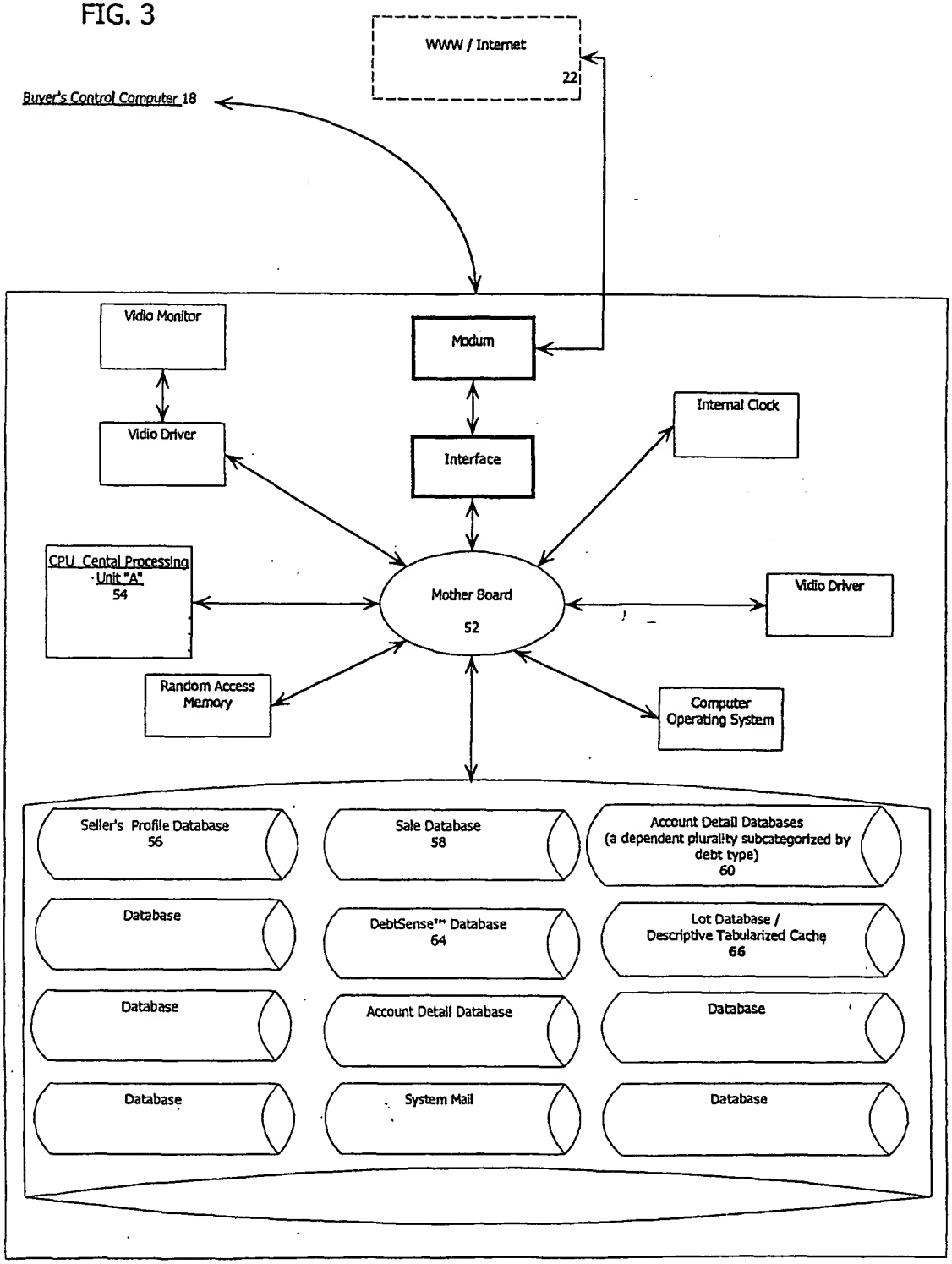
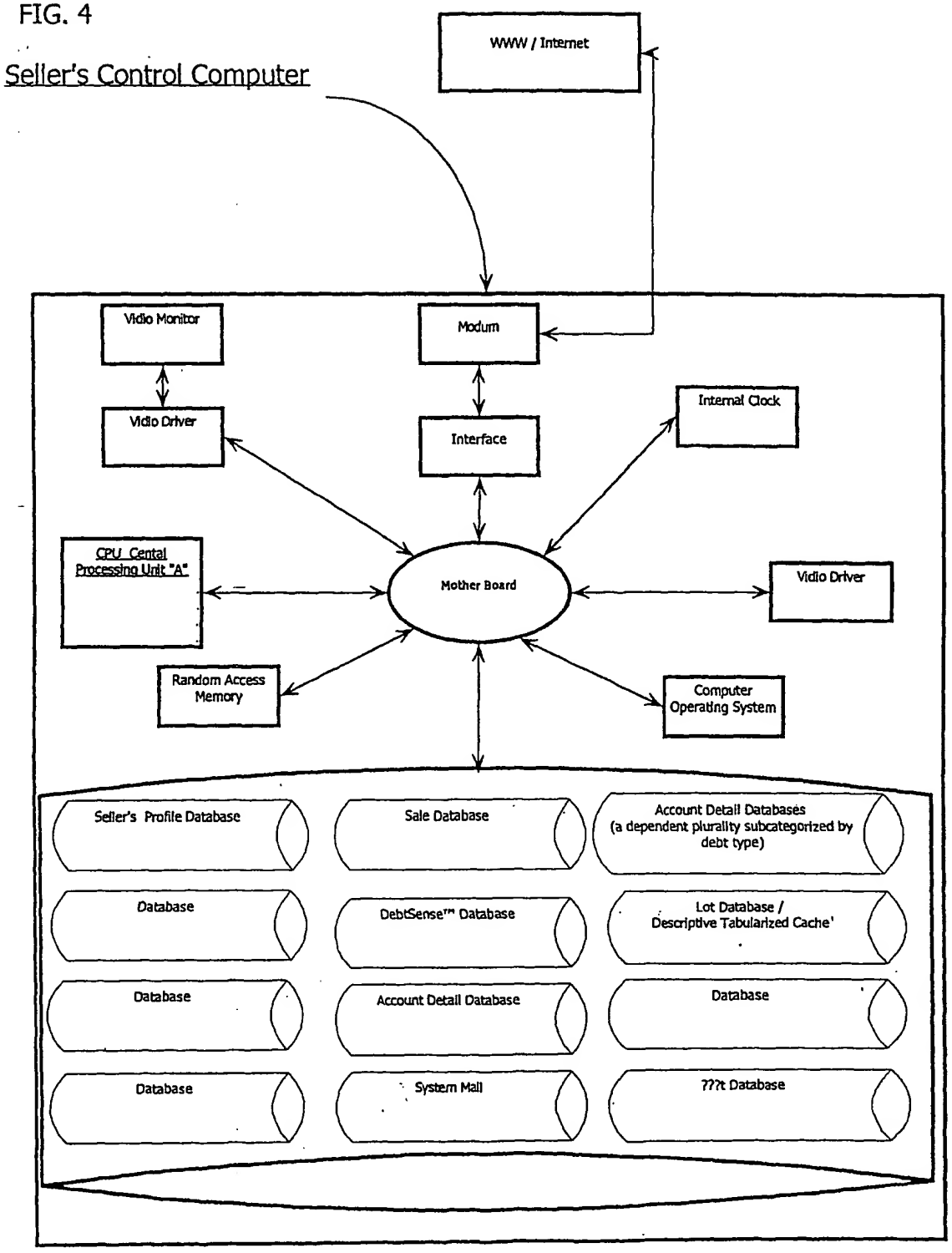

WWW / Internet
22
Buyer's Control Computer 18
Vidio Monitor
Modum
Internal Clock
Vidio Driver
Interface
CPU Cental Processing Unit "A"
54
Mother Board
52
Vidio Driver
Random Access Memory
Computer Operating System
Seller's Profile Database
56
Sale Database
58
Account Detail Databases
(a dependent plurality subcategorized by debt type)
60
Database
DebtSense™ Database
64
Lot Database / Descriptive Tabularized Cache
66
Database
Account Detail Database
Database
Database
System Mail
Database

FIG. 4


Seller's Control Computer
WWW / Internet
Vidio Monitor
Modum
Vidio Driver
Interface
Internal Clock
CPU Cental Processing Unit "A"
Mother Board
Vidio Driver
Random Access Memory
Computer Operating System
Seller's Profile Database
Sale Database
Account Detail Databases (a dependent plurality subcategorized by debt type)
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Lot Database / Descriptive Tabularized Cache'
Database
Account Detail Database
Database
Database
System Mail
???t Database

FIG. 5

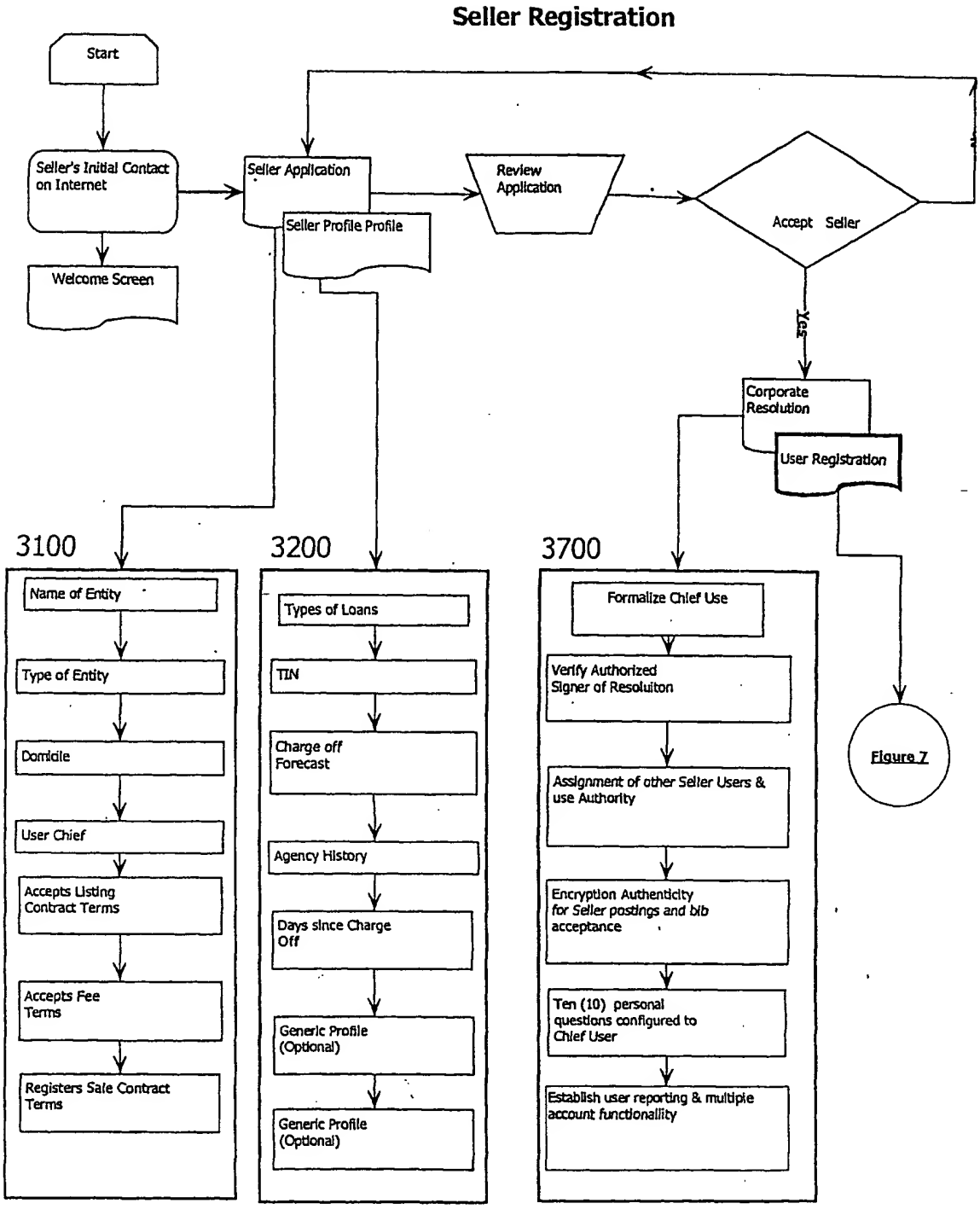

Seller Registration
Start
Seller's Initial Contact on Internet
Welcome Screen
Seller Application
Seller Profile Profile
Review Application
Accept Seller
Yes
Corporate Resolution
User Registration
3100
Name of Entity
Type of Entity
Domicile
User Chief
Accepts Listing Contract Terms
Accepts Fee Terms
Registers Sale Contract Terms
3200
Types of Loans
TIN
Charge off Forecast
Agency History
Days since Charge Off
Generic Profile (Optional)
Generic Profile (Optional)
3700
Formalize Chief Use
Verify Authorized Signer of Resoluiton
Assignment of other Seller Users & use Authority
Encryption Authenticity for Seller postings and bib acceptance
Ten (10) personal questions configured to Chief User
Establish user reporting & multiple account functionality
Figure 7

FIG. 6

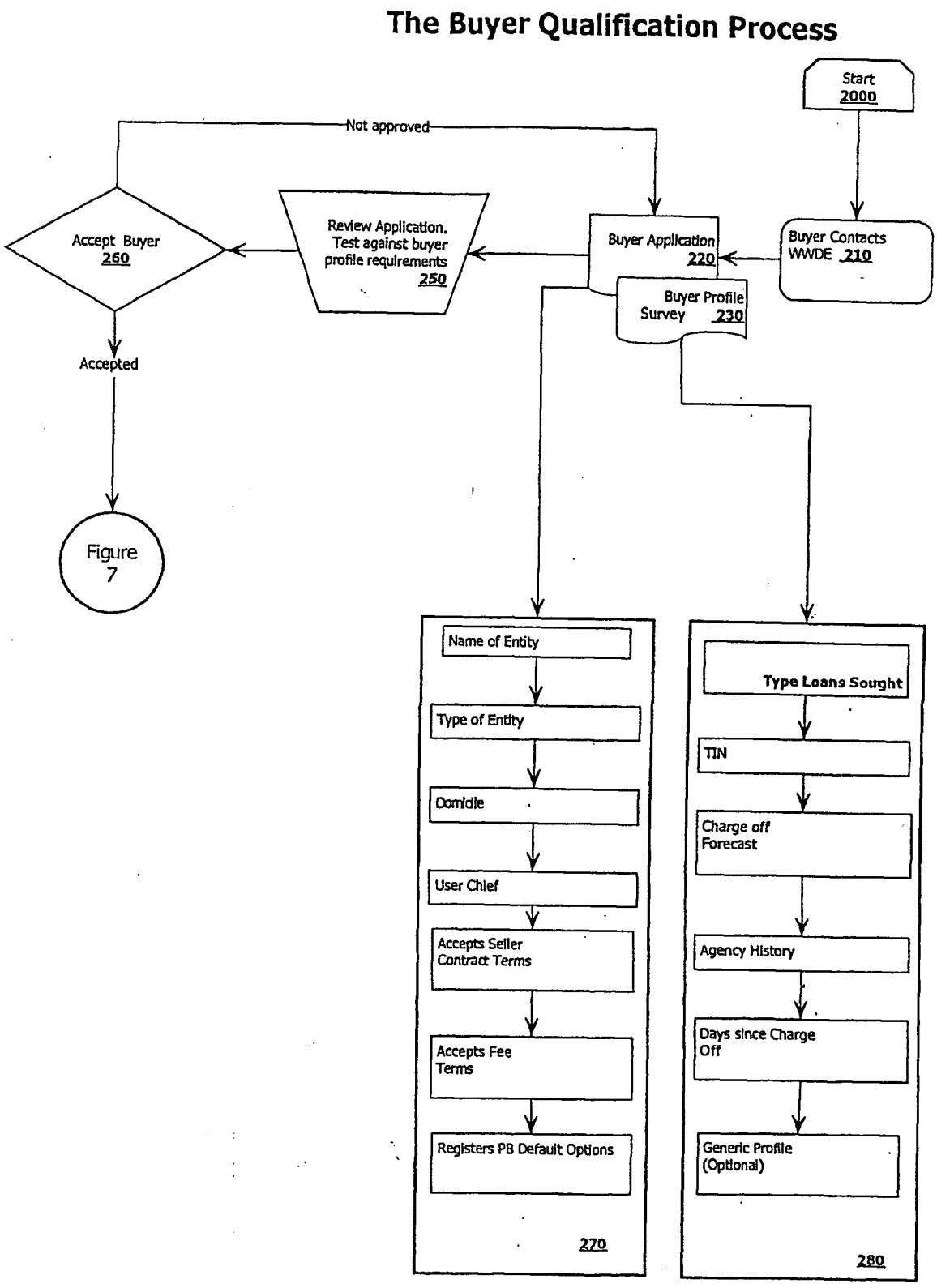

The Buyer Qualification Process
Start 2000
Buyer Contacts WWDE 210
Buyer Application 220
Buyer Profile Survey 230
Review Application. Test against buyer profile requirements 250
Not approved
Accept Buyer 260
Accepted
Figure 7
Name of Entity
Type of Entity
Domicile
User Chief
Accepts Seller Contract Terms
Accepts Fee Terms
Registers PB Default Options
270
Type Loans Sought
TIN
Charge off Forecast
Agency History
Days since Charge Off
Generic Profile (Optional)
280

FIG 7

Grouping and Presentation of Bad Debt Complex Assets

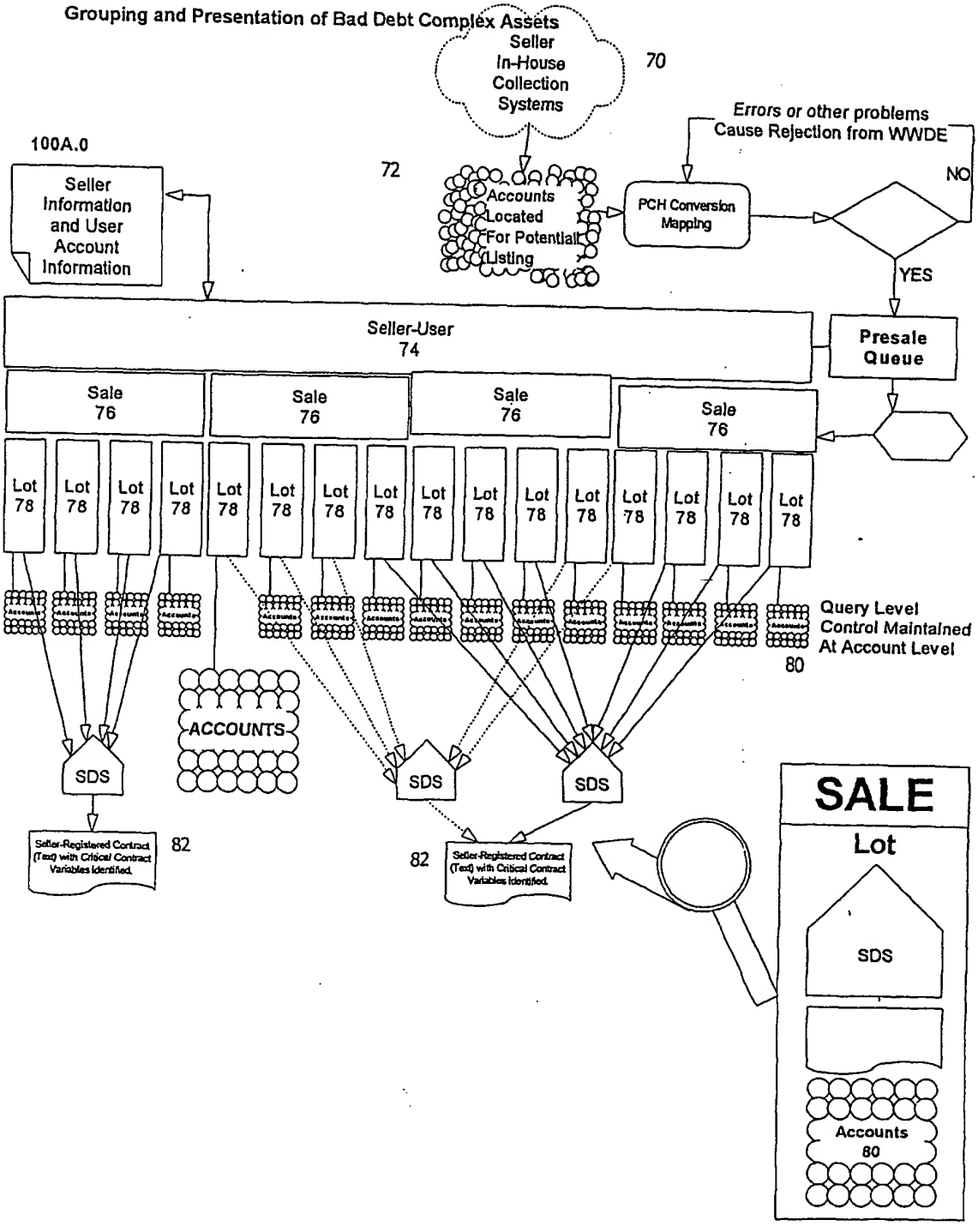


FIG. 8

Registry, UPSS and Proprietary Storage Technique

WWDE-UPSS	WWDE Unique Proprietary Storage Segment (UPSS)
WWDE Transactionals	Data pertaining to ownership changes, service requests (Buyer-Seller, Buyer-Service Proveder, Seller-Service Provider, Seller-Buyer)
PCH Data	Industry specifications for parent file creation as well as integrity rules.

WWDE-UPSS

WorldWide Debt Exchange's UPSS will be at the heart of our design as we expand from domestic to international markets. Within the UPSS will be the following information in this order:

1. Three-letter code (ISO 3166) designating the originating country of the debt that was charged off (country of residence will be stored as well but outside UPSS).
2. Two-letter code designating the currency of the debt owed.
3. Five-Character Creditor Code representing the selling creditor.
4. The full account number by the creditor. If account number is alpha, then Alpha-Correlate (A=1, B=2, etc.).
5. The amount originally charged-off (no decimal) in the respective currency.
6. Chargeoff date in YYYYMMDD format.
7. CHECK DIGITS (2) = RIGHT(sum(value(co_bal*100), value(left(acctnum,2)),value(right(co_year,2)), value(co_month), value(co_day)),2)

EXAMPLE:

Debt originated in USA.
Currency is $US Dollars
Chargeoff Balance is $4,144.11
Five-character code representing the selling creidtor is ABCDE
Full account number is 4111 222 333 444
Chargeoff Date 2000-01-01

UPSS = USA US ABCDE 4111222333444 414411 20000101 54

In addition to the inventors of PCH having created this standard, WWDE has other useful fields relating to the current national domicile of debtor to accomodate debts that originated in one country but now reside in another - this will ultimately provide the international market access to non-domestic debts where the debtors have moved to another country.

SY	Date-Time field and record provider
AC	Information about the account holder(s)
BK	Information surrounding the debt
OW	Current information as per the current owner of the account, which could also be the selling bank
JD	Information surrounding a judgement
PM	Specific Payment Information
CM	Freeform or comments area
FT	Unused/Reserved

FIG 8

FIG. 9

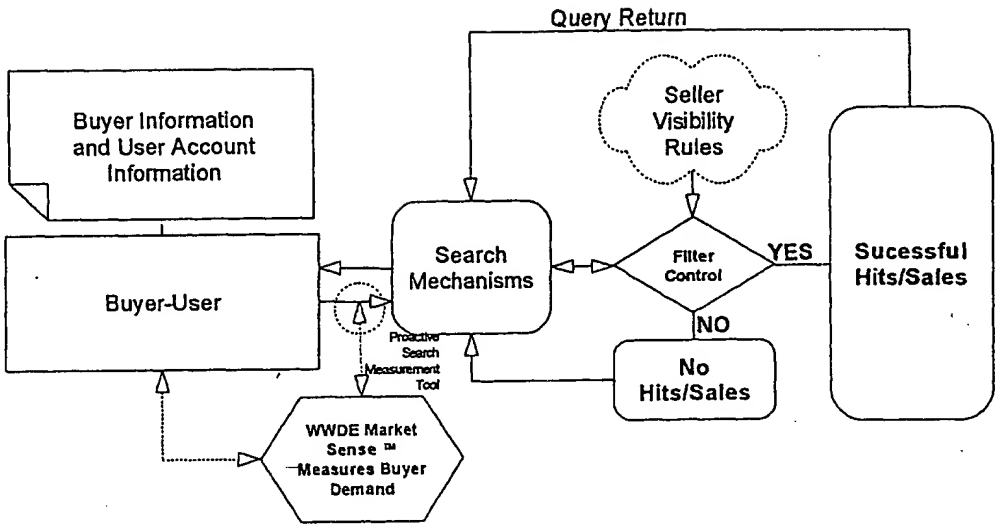


FIG. 10

ASSISTING A BUYER IN UNDERSTANDING THE COMPLEX ASSET

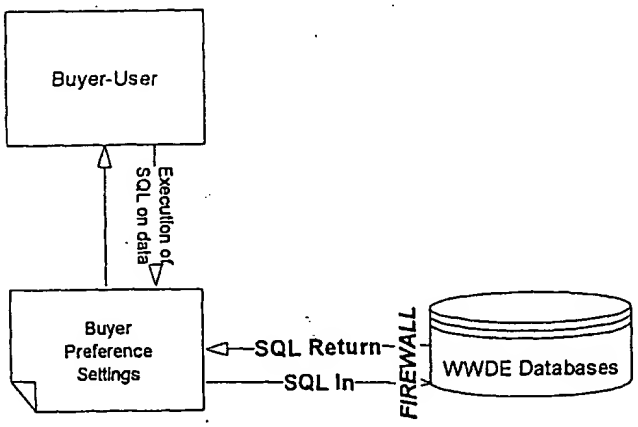


FIG. 11

Buyer-Seller Compatability Matching and Optimal Sub-Lot Packaging Based on WWDE MARKET SENSE

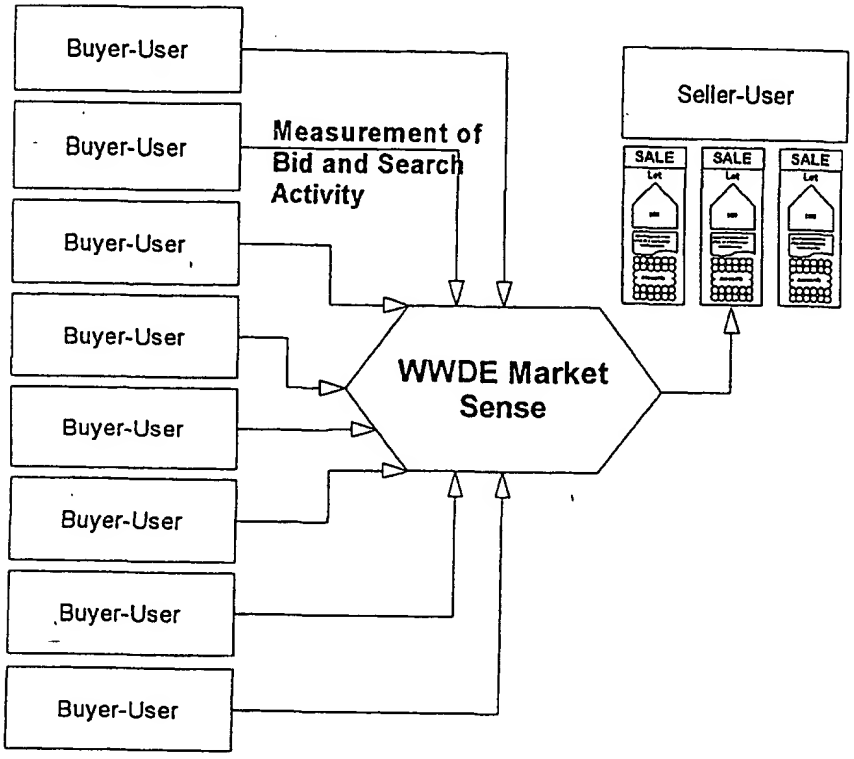


FIG. 12A

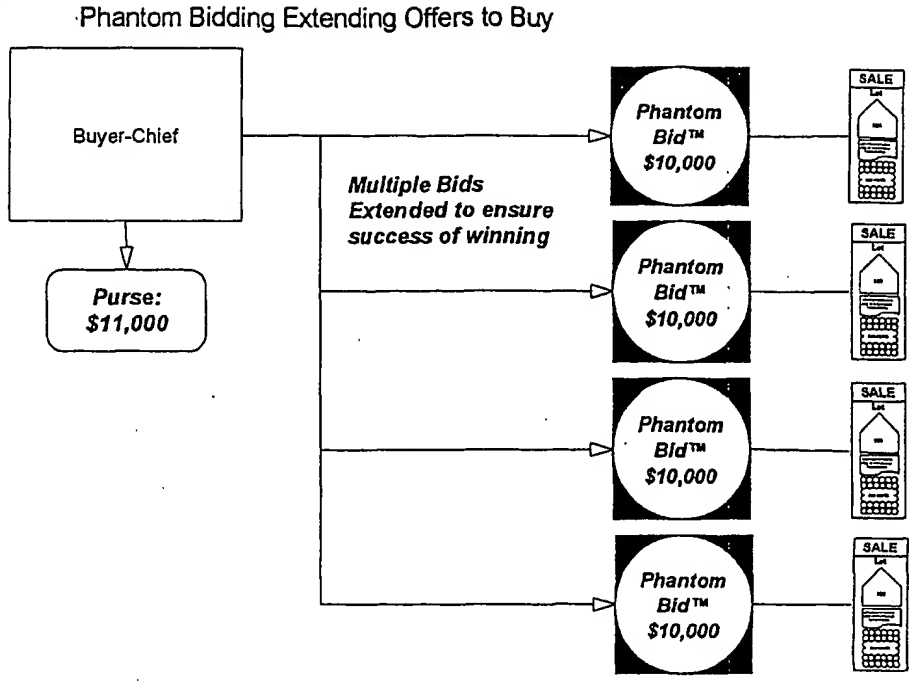
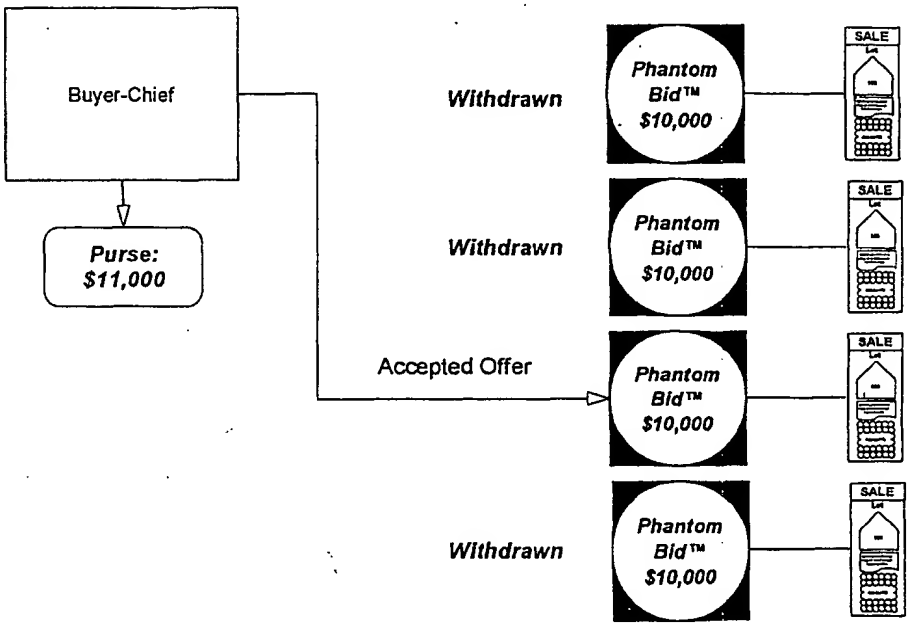


FIG. 12B Accepted/Withdrawn Offers



INTERNATIONAL SEARCH REPORT

Int.....onal application No.
PCT/US01/05069

A. CLASSIFICATION OF SUBJECT MATTER

IPC(7) :G06F 17/60
US CL :705/37, 36, 35

According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 705/37, 36, 35

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

Nineteen No-Patent Literature databases on Business and Industry. Patents' databases from EPO, WIPO, JAPIO, JPO, Chinese Patent Office and USPTO.

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X	US 5,995,947 A (FRASER et al.) 30 November 1999, Col. 3, line 10-Col. 5, line 63, col. 6, line 5-col. 8, line 64, col. 9, line 3-col. 12, line 65, col. 13, line 4-col. 14, line 48.	1-3, 7-10, 16-18, 21-34, 37, 41-43, 45-52, 56-65, 67-72, 77
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Y		4-6, 11-15, 19, 20, 35, 36, 38-40, 44, 53-55, 66, 73-76, 78-87

[X] Further documents are listed in the continuation of Box C. [ ] See patent family annex.

*	Special categories of cited documents:	"T"	later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
"A"	document defining the general state of the art which is not considered to be of particular relevance	"X"	document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
"E"	earlier document published on or after the international filing date	"Y"	document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
"L"	document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	"&"	document member of the same patent family
"O"	document referring to an oral disclosure, use, exhibition or other means		
"P"	document published prior to the international filing date but later than the priority date claimed		

Date of the actual completion of the international search 03 APRIL 2001	Date of mailing of the international search report 30 APR 2001
Name and mailing address of the ISA/US Commissioner of Patents and Trademarks Box PCT Washington, D.C. 20231 Facsimile No. (703) 305-3230	Authorized officer VICENT MILLIN Peggy Harwood Telephone No. (703) 308-1056

INTERNATIONAL SEARCH REPORT

	ıl application No. PCT/US01/05069

C (Continuation). DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y	US 5,966,700 A (GOULD et al) 12 October 1999, col. 3m line 20-col. 6, line 39, col. 6, line 42-col. 9, line 65, col. 10, line 7-col. 11, line 66, col,12, line 6-col. 14, line 5.	4-6, 11-15, 19, 20, 35, 36, 38-40, 44, 53-55, 66, 73-86, 78-87
A	VAN KIRK. D. Smart Connections. CFO: The Magazine of Senior Financial Executives. January 1995. Vol. 11. No. 1. Pages 51-57. The whole document.	1-87
A	SCOTT. M. Is e-mortgage ready for takeoff?. Mortgage Banking. Vol. 59. No. 3. Pages 64-72. The whole document.	1-87
A	WO 96/18162 A (ATKINS) 13 June 1996, the whole document	1-87